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*Advocate Mines  
Limited*

INTERIM REPORT

6  
MONTHS  
ENDED  
June 30, 1972

## Advocate Mines Limited

### Consolidated Financial Summary First Six Months — Estimated

#### Statement of Income

	1972	1971
<i>Revenue</i>		
Value of fibre produced	\$5,478,000	\$6,213,000
<i>Expenses</i>		
Mine operating, milling and general	5,012,000	5,088,000
Interest	45,000	44,000
	<u>5,057,000</u>	<u>5,132,000</u>
Net cash income	421,000	1,081,000
Amortization of mine development costs	72,000	75,000
Depreciation	600,000	600,000
	<u>672,000</u>	<u>675,000</u>
Net income (loss)	\$ (251,000)	\$ 406,000

#### Source and Application of Funds

##### *Source of Funds*

Net cash income	\$ 421,000	\$1,081,000
Sale of fixed assets	67,000	23,000
	<u>488,000</u>	<u>1,104,000</u>

##### *Application of Funds*

Preference dividend	—	806,000
Fixed assets	119,000	147,000
	<u>119,000</u>	<u>953,000</u>
Increase in working capital	369,000	151,000
Working capital, beginning of year	3,278,000	3,108,000
Working capital, June 30	<u>\$3,647,000</u>	<u>\$3,259,000</u>

## Financial

Net loss for the six months was \$251,000. In 1971, comparative net income was \$406,000.

The first six months were seriously affected by unusually severe weather conditions and fibre selling prices being lower than in 1971.

Production and profitability improved in June and are expected to be significantly better in the second half of the year although fibre selling prices will continue to be lower than in 1971, reflecting depressed market conditions.

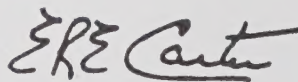
A preference share dividend of \$382,600 was paid on August 10, 1972 in full payment of dividends due for the 6 months ended June 30, 1972.

## Production

	6 Months Ended June 30	
	1972	1971
Ore crushed (tons)	1,140,500	1,221,000
Fibre produced (tons)	33,576	36,281
Percentage recovery from ore crushed	2.94%	2.97%
Fibre shipped (tons)	24,453	26,615

The waste to ore ratio for the first six months was 2.55:1 (2.64:1 in 1971).

On behalf of the Board of Directors



Chairman of the Board and President

Toronto, Ontario.  
August 15, 1972